

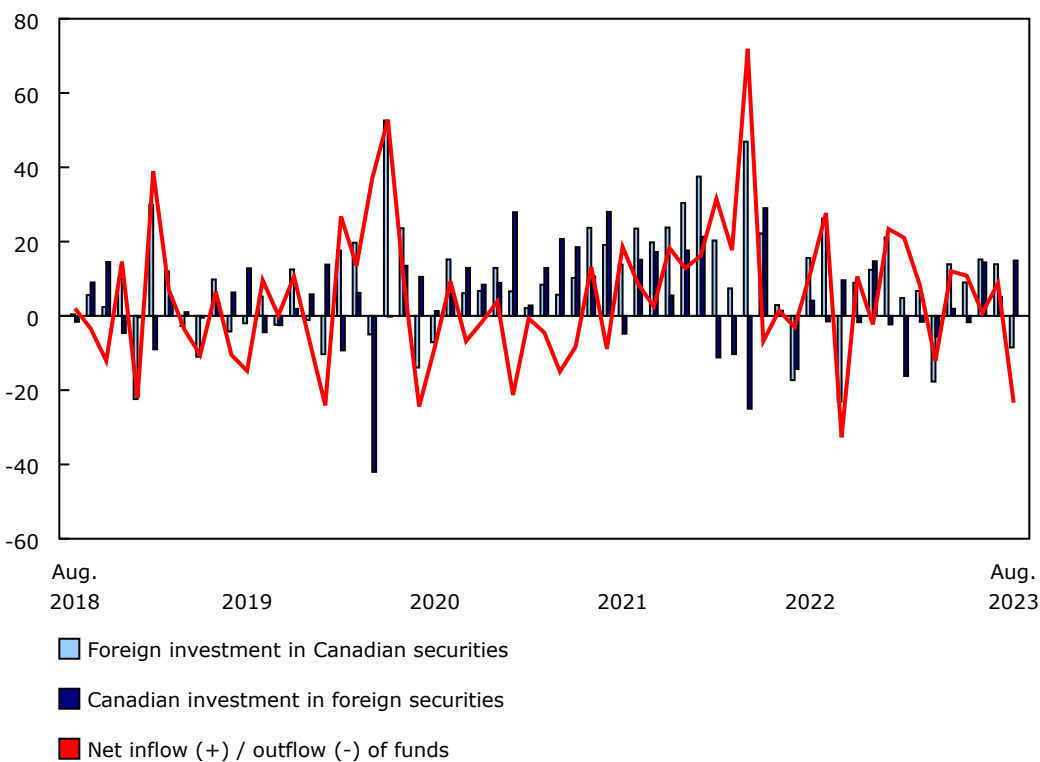
Canada's international transactions in securities, August 2023

Released at 8:30 a.m. Eastern time in *The Daily*, Tuesday, October 17, 2023

Canadian investors acquired \$14.9 billion of foreign securities in August, the largest investment since April 2022. Meanwhile, non-resident investors reduced their exposure to Canadian securities by \$8.5 billion, the first divestment since March 2023. As a result, international transactions in securities generated a net outflow of funds of \$23.4 billion from the Canadian economy in August.

Chart 1
Canada's international transactions in securities

billions of dollars



Source(s): Table 36-10-0028-01.

Canadian investment in foreign shares reaches the highest level since April 2022

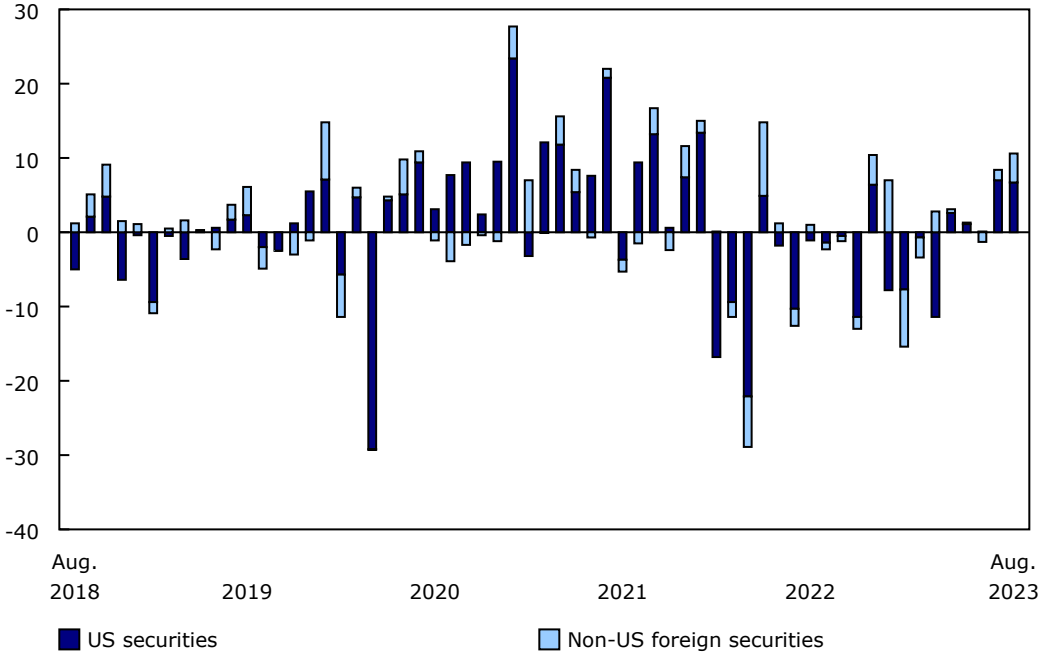
Canadian investors acquired \$14.9 billion of foreign securities in August 2023, led by purchases of foreign shares and, to a lesser extent, US bonds.

The investment in foreign shares totalled \$10.6 billion, the largest investment since April 2022. In August 2023, investors targeted both US (+\$6.7 billion) and non-US (+\$3.9 billion) foreign shares. The former was led by large capitalization technology shares, and the latter focused on shares of Asian and European markets. Major world equity markets declined in August.



Chart 2
Canadian investment in foreign equity and investment fund shares

billions of dollars



Source(s): Table 36-10-0028-01.

In addition, Canadian investors added \$3.7 billion of US bonds to their portfolios in August, mainly instruments issued by the US government and its agencies. In August, US long-term interest rates reached the highest level since December 2007.

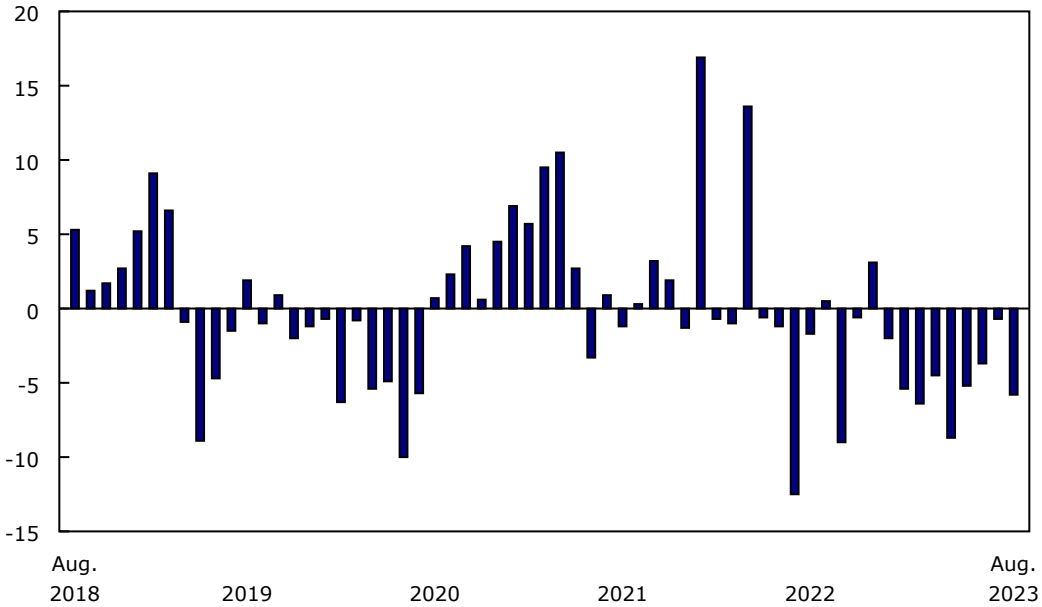
The first foreign divestment in Canadian securities in five months

Foreign investors reduced their exposure to Canadian securities by \$8.5 billion in August 2023 after four months of strong investment. The activity in August was attributable to divestments in Canadian shares and federal government bonds.

Non-resident investors reduced their holdings of Canadian shares by \$5.8 billion in August for a total divestment of \$40.5 billion so far in 2023. In comparison, the foreign divestment was \$3.5 billion over the same period in 2022. The divestment in August 2023 was widespread across all industries except for the banking industry and the trade and transportation industry.

Chart 3
Foreign investment in Canadian equity and investment fund shares

billions of dollars

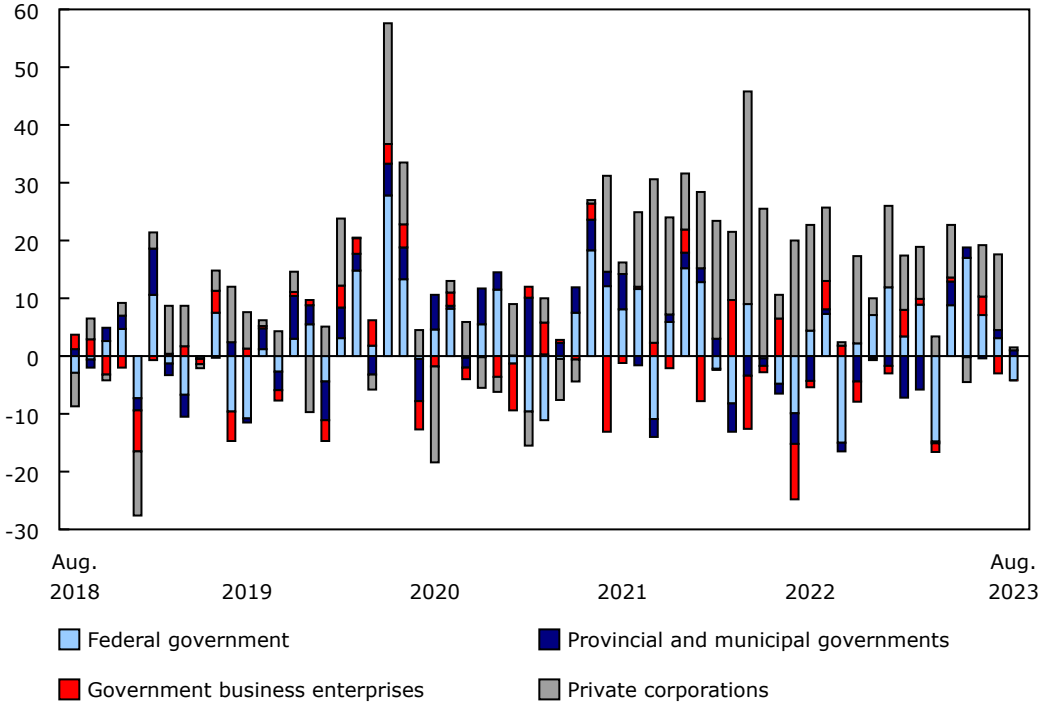


Source(s): Table 36-10-0028-01.

At the same time, foreign holdings of Canadian debt securities were down by \$2.7 billion in August, following four months of strong investment totalling \$70.4 billion. The activity in August was led by retirements of federal government bonds (-\$6.7 billion), which were moderated by a \$4.3 billion investment in federal government paper. Meanwhile, net new issuances abroad by Canadian private corporations reached a nine-month low.

Chart 4
Foreign investment in Canadian debt securities, by sector of issuer

billions of dollars



Source(s): Table 36-10-0028-01.

Table 1
Canada's international transactions in securities

	June 2023	July 2023	August 2023	January to August 2022	January to August 2023
	millions of dollars				
Foreign investment in Canadian securities	15,195	13,925	-8,474	124,163	37,438
Debt securities	18,896	14,646	-2,680	127,652	77,931
Money market instruments	8,377	-1,691	2,344	-11,118	-1,523
Governments	7,800	-644	4,986	-38,091	20,611
Federal government	8,378	-197	4,344	-28,419	25,428
Other governments	-577	-447	642	-9,671	-4,816
Corporations	576	-1,047	-2,642	26,971	-22,133
Government business enterprises	2,025	-2,038	-1,004	4,302	-27
Private corporations	-1,448	991	-1,638	22,670	-22,105
Bonds	10,519	16,337	-5,024	138,771	79,453
Governments	-1,023	5,133	-8,211	16,071	3,330
Federal government	-1,243	3,301	-8,571	23,488	3,897
Other governments	221	1,832	360	-7,415	-567
Corporations	11,542	11,203	3,187	122,699	76,121
Government business enterprises	1,186	-948	1,019	-4,375	4,905
Private corporations	10,356	12,151	2,168	127,076	71,218
Equity and investment fund shares	-3,701	-721	-5,794	-3,488	-40,493
Shares	-3,549	-1,001	-5,810	-1,383	-37,890
Investment fund shares	-152	280	16	-2,104	-2,602
Canadian investment in foreign securities	14,426	5,117	14,943	-27,727	11,290
Debt securities	15,622	-3,197	4,298	30,005	16,608
Money market instruments	1,216	1,858	475	2,163	3,406
Bonds	14,406	-5,056	3,823	27,842	13,200
Equity and investment fund shares	-1,196	8,314	10,646	-57,732	-5,314

Note(s): In this table, a positive value denotes an increase in investment, and a negative value denotes a decrease in investment. Transactions are recorded on a net basis. Figures may not add up to totals as a result of rounding.

Source(s): Tables [36-10-0028-01](#) and [36-10-0583-01](#).

Note to readers

The data series on international transactions in securities covers portfolio transactions in equity and investment fund shares, bonds and money market instruments for both Canadian and foreign issues. This activity excludes transactions in equity and debt instruments between affiliated enterprises. These are classified as foreign direct investment in international accounts.

Equity and investment fund shares include common and preferred equities, as well as units or shares of investment funds. For the sake of brevity, the terms "shares" and "equity and investment fund shares" have the same meaning.

Debt securities include bonds and money market instruments.

Bonds have an original term to maturity of more than one year.

Money market instruments have an original term to maturity of one year or less.

Government of Canada paper includes Treasury bills and US-dollar Canada bills.

All values in this release are net transactions unless otherwise stated.

Next release

Data on Canada's international transactions in securities for September will be released on November 17.

Available tables: [36-10-0028-01](#) to [36-10-0035-01](#) , [36-10-0444-01](#), [36-10-0475-01](#), [36-10-0486-01](#), [36-10-0583-01](#), [36-10-0584-01](#) and [36-10-0642-01](#).

Definitions, data sources and methods: survey number [1535](#).

The *Canada and the World Statistics Hub* ([13-609-X](#)) is available online. This product illustrates the nature and extent of Canada's economic and financial relationship with the world using interactive graphs and tables. This product provides easy access to information on trade, investment, employment and travel between Canada and a number of countries, including the United States, the United Kingdom, Mexico, China and Japan.

As a complement to this release, the data visualization product "[Securities statistics](#)," part of the series *Statistics Canada – Data Visualization Products* ([71-607-X](#)), is available online.

The *User Guide: Canadian System of Macroeconomic Accounts* ([13-606-G](#)) is also available.

The *Methodological Guide: Canadian System of Macroeconomic Accounts* ([13-607-X](#)) is available.

For more information, or to enquire about the concepts, methods or data quality of this release, contact us (toll-free 1-800-263-1136; 514-283-8300; infostats@statcan.gc.ca) or Media Relations (statcan.mediahotline-ligneinfomedias.statcan@statcan.gc.ca).